

PROJECTED INVESTMENT EXPENDITURES

| | FY 2009-10 Actual ¹ | FY 2010-11 Projection | FY 2011-12 Projection |
|--|-----------------------------------|--------------------------------|--------------------------------|
| External Investment Advisors ² | | | |
| Base Fees | | | |
| Domestic | | | |
| Equities | \$ 31,113,869 | \$ 56,402,000 | \$ 58,911,000 |
| Fixed Income | 6,796,007 | 4,664,000 | 4,506,000 |
| International | | | |
| Equities | 24,328,541 | 46,935,000 | 52,076,000 |
| Fixed Income | 2,831,920 | 3,800,000 | 3,750,000 |
| Real Estate ³ | 193,774,465 | 196,892,000 | 175,712,000 |
| Inflation Linked Asset Class | 34,051,302 | 24,853,000 | 24,953,000 |
| AIM Asset Management | 510,081,743 | 515,979,000 | 519,969,000 |
| Subtotal | 802,977,848 | 849,525,000 | 839,877,000 |
| Performance Fees ⁴ | | | |
| Domestic | | | |
| Equities | 13,593,233 | 26,946,000 | 28,415,000 |
| International | | | |
| Equities | 14,444,133 | 47,128,000 | 51,118,000 |
| Fixed Income | 2,046,999 | 4,000,000 | 4,100,000 |
| Real Estate | (9,136,950) | 114,341,000 | 28,385,000 |
| Inflation Linked Asset Class | 2,204,989 | - | - |
| Subtotal | 23,152,404 | 192,415,000 | 112,018,000 |
| Total External Investment Advisors | 826,130,252 | 1,041,940,000 | 951,895,000 |
| Other Investment Expenditures | | | |
| Custodian - State Street Bank | 4,893,645 | 4,400,000 | 4,400,000 |
| Portfolio Management Services/Subscriptions ⁵ | 19,002,951 | 19,003,000 | 19,003,000 |
| Appraisal Fees | 10,397,882 | 10,398,000 | 10,398,000 |
| Auditor Fees | 416,228 | 417,000 | 417,000 |
| Consultant Fees | - | 26,360,000 | 28,119,000 |
| Legal Fees | 10,233,286 | 15,000,000 | 15,000,000 |
| Tax Advisory Services | 448,289 | 449,000 | 449,000 |
| Subtotal | 45,392,282 | 76,027,000 | 77,786,000 |
| Total | <u>\$ 871,522,534</u> | <u>\$ 1,117,967,000</u> | <u>\$ 1,029,681,000</u> |

¹ FY 2009-10 Actual External Investment Advisors and Custodian Fees are based on the Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended 6/30/10.

² Projections for External Investment Advisors and Custodian Fees are referenced in CalPERS 2010 Investment Advisor Report dated January 2011.

³ In addition to the amount reported on the CAFR, FY 2009-10 Actual Real Estate Base Fees includes \$1,138,843 in management fees related to Real Estate Investment Trusts.

⁴ These amounts are highly volatile as they are based on performance of fund managers compared to various benchmarks. In addition, performance fees are calculated on various multi-year contracts and the performance period varies from manager to manager.

⁵ Includes electronic investment data feeds and subscriptions fees such as Bloomberg, BlackRock, and Factset to ensure accurate pricing of investments.